

## AMENDMENT AND RESPONSE UNDER 37 CFR § 1.111

Serial Number: 09/467,994

Filing Date: December 20, 1999

Title: SYSTEM AND METHOD OF DISTRIBUTING AND RETURNING PRODUCTS

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**REMARKS**

Claims 33 and 34 are added by this Amendment, and claims 14-16 and 23-27 are cancelled. As a result, claims 1-13, 17-22 and 28-34 are now pending in the application. The present Amendment incorporates the features of canceled dependent claims 14-16 into independent claim 1.

The Office Action includes a rejection of claims 1-32 under 35 U.S.C. §103(a) in view of U.S. Patent 6,5,028,766 ("Shah"), and further in view of U.S. Patent 5,839,058 ("Phillips"), and yet further in view of U.S. Patent 5,769,269 ("Peters '269"). This rejection is respectfully traversed, for at least the reasons set forth herein.

**Traversal of Inherency**

The rejection of claim 10 states that it is inherent for the identifiers on return mailers to be scannable codes. This assertion is respectfully traversed.

The MPEP recites the standard for establishing inherency, as promulgated by the Federal Circuit, stating:

To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.'<sup>1</sup>

It is respectfully submitted that there are a number of types of identifiers suitable for use on return mailers (e.g., an identifier is commonly provided in the form of a printed alphanumeric character, which is intended to be read by a human at the return center). Since there is clearly more than one way of providing an identifier, the assertion of inherency with respect to claim 10 cannot be properly maintained. Accordingly, it is respectfully requested that the rejection be withdrawn.

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<sup>1</sup> MPEP 2163.07(a) quoting *In re Robertson*, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999) (citations omitted).

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sufficient to mail the particular product to the return center;

wherein said label is configured for being attached to the return mailer for returning the particular product to the return center or alternatively for being attached to a second return mailer if the particular product is not returned to the return center.

Please amend the claims as follows. Clean copies of the amended claims are provided in the attached Appendix.

mark up copy  
1. [Once Amended] A product distribution and return system, comprising:

a product dispensed from a vending machine in one location; and  
a return mailer dispensed with the product, the product returnable in the return mailer to a return center[:]; the return center being in another location;

wherein a product rental fee is defined in a set of product rental terms, further wherein the product rental fee includes fees for non-compliance with the product rental terms;

wherein the return center determines compliance or non-compliance with the product rental terms, further wherein an additional charge is posted to a consumer account or a future credit to a consumer account is canceled for non-compliance with the product rental terms; and

wherein the product rental terms include terms related to a specified return date and product condition.

13  
17. [Once Amended] The system of claim [16] 1 wherein the database contains information [selected from the group consisting of] comprising a transaction identifier, product title, product dispense date specified return date, product condition, product rental fee and product purchase price.

15  
19. [Once Amended] A method of doing business, comprising:

providing a media product for rent a one location, the media product dispensed with a return mailer; [and]

requesting return of the media product in the return mailer to a return center located in a

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location other than said one [another] location within a period of time, the return mailer depositable with a third-party delivery service; and

providing a label comprising an address of the return center and having an amount of postage sufficient for the third-party delivery service to return the product to the return center;

wherein said label is configured for being attached to the return mailer upon returning the product to the return center or alternatively for being attached to another return mailer if the product is not returned to the return center.

19  
28. [Once Amended] The method of claim [27] 20, wherein the return center activity comprises:

opening the return mailer;

inspecting the product inside the return mailer to determine if the product is in good condition;

comparing information in the database with the product inside the return mailer; and

issuing a credit for a difference between a rental price and a purchase price or canceling a future charge when the product is [return] returned in good condition and on time.

21  
30. [Once Amended] An apparatus for dispensing products, comprising:

means for selecting a particular product;

means for dispensing the particular product together with a return mailer to a customer;

means for transporting the particular product from the customer back to a return center located apart from the means for dispensing;

means for identifying the particular product; and

means for recording a transaction date in a database;

wherein said particular product is a media product and said means for transporting comprises a return mailer dispensed at said means for dispensing.

Misapplication of 35 U.S.C. §103

It is respectfully submitted that 35 U.S.C. §103 has been misapplied as it pertains to the pending rejection of claims 16, 17, 20, 21, 22, 24, 25 and 29. In the §103 rejection of claims 16, 17, 20, 21, 22, 24, 25 and 29, the Office Action cites MPEP 2142, stating that an element of each of these claims "is only limited by the imagination of the designer and therefore non-limiting." This rejection is not in accordance with 35 U.S.C. §103 and therefore cannot be maintained.

The MPEP provision cited in the Office Action, MPEP 2142, deals with the legal concept of *prima facie* obviousness. In fact, MPEP 2142 contradicts the pending §103 rejection. MPEP 2142 sets forth the three basic criteria which must be met to establish a *prima facie* obviousness, stating in regard to the third criteria that "[f]inally, the prior art reference (or references when combined) must teach or suggest *all the claim limitations*." (Emphasis added). MPEP 2143.03 sheds yet more light on the requirements for establishing *prima facie* obviousness, stating:

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

Hence, it is improper for claim features to be ignored because it is felt that they are "only limited by the imagination of the designer and [are] therefore non-limiting."

The Office Action appears to further allege that claim language in each of claims 16, 17, 20, 21, 22, 24, 25 and 29 is not functionally interrelated with the useful acts, structure, or properties of the claimed invention. First, it is noted that being "functionally interrelated" is not a criteria for whether or not a claim feature should be given patentable weight for the purposes of examination. All claim features must be examined.<sup>2</sup> Further, even if being "functionally interrelated" could somehow possibly be construed as a requirement for examination on the merits, it respectfully submitted that each of the rejected claims is "functionally interrelated" to its parent claim. That is, each of claims 16, 17, 20, 21, 24, 25 and 29 are dependent claims which derive antecedent basis from their respective parent claims, and further define features of

the parent claims from which they depend. Claim 22 provides another step in the method according to parent claim 19. Hence, each of the claims 16, 17, 20, 21, 22, 24, 25 and 29 are functionally related with the parent claims from which they depend.

Accordingly, it is respectfully submitted that the rejection of claims 16, 17, 20, 21, 22, 24, 25 and 29 is not proper, and therefore cannot be maintained. Therefore, it is requested that the rejection be withdrawn.

### §103 Rejection of the Claims

The §103(a) rejection of claims 1-32 in view of the Shah patent, and further in view of the Phillips patent, and yet further in view of the Peters '269 patent is respectfully traversed.

Claim 1 recites "the return center being in another location." Claim 19 recites "a return center located in a location other than said one location." Claim 30 recites "a return center located apart from the means for dispensing." The Office Action correctly points out that the Shah patent does not teach this feature. More to the point, it is respectfully submitted that the Shah patent teaches away from the aforementioned claim features, thus rendering the combination with the secondarily cited Phillips patent and Peters '269 patent improper.

The Shah patent involves an automated rental system which provides an unattended vending machine for renting items such as video cassettes, and receiving the returned items back. The Shah patent emphasizes the advantages of its system being automated, expressly stating that there is no need for a centralized distribution system. Shah states:<sup>3</sup>

As will be understood, the present invention works in a communication mode and does not require a central distribution mode, a robotic arm or a carousel system.

Thus, by communication of commands and information, controls are activated by the transaction process for facilitating retrieval of an article from its bin and identifying and securing the returned article. (Emphasis added).

The Shah patent teaches that a patron must return a rented article back to the location from which it came. In fact, in order to properly identify a returned article, the article must be returned to the

<sup>2</sup> It should be noted that MPEP 2143.03 requires that all claim terms be considered in the examination of an application. For example, MPEP 2143.03 even requires that indefinite limitations in the claims must be considered, and further requires that even limitations which do not find support in the specification must be considered.

<sup>3</sup> Shah, col. 2, lines 20-28.

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Conclusion

Applicant respectfully submits that the claims are in condition for allowance.

Accordingly, notification to that effect is earnestly requested. In the event that issues arise in the application which may readily be resolved via telephone, the Examiner is kindly invited to telephone Applicant's attorney at (605)232-1967 to facilitate prosecution of the application.

It is believe that no fee is owed for the present Amendment. However, if necessary, please charge any additional fees or credit overpayment to Deposit Account No. 50-0439.

Respectfully submitted,

Date: October 7, 2002

By Scott Charles Richardson  
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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is either: 1) being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: Commissioner of Patents, Washington, D.C. 20231; or 2) being sent via facsimile to the appropriate facsimile telephone number; on the date indicated above.

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